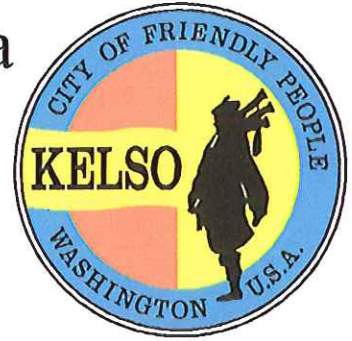


Kelso City Council Agenda

Regular Meeting, 7:00 pm
December 21, 2010
City Hall, Council Chambers
203 S. Pacific
Kelso, WA 98626



****Special accommodations for the handicapped and hearing impaired are available by special arrangement through the City Clerk's Office at 360-423-0900****

Invocation:

Pastor Chris Leingang, Faith Fellowship Lutheran Brethren Church

Call to Order:

Roll Call to Council Members:

Approve Minutes:

December 7, 2010-Regular Meeting

KSD Student Representative:

Eric McDaniel, ASB President

Presentation w/Action:

Jim Nelson, Martin Nelson, Inc

Marc Greenough

Water/Sewer Revenue Bonds (Walk On Ordinance)

Consent Items:

1. Planning Commission Appointments
 1. Totsy Tabor
 2. Dan Jones
2. Closeout
NW 3rd Ave Sewer Project
3. Water Treatment Chemical Purchase Bids, 2011
4. Diking Certification Loan
5. Liquor License Renewals
 1. Rite Aid #5287, 203 Kelso Drive
 2. Scooter's Bar and Grill, 1107 N. Pacific Avenue
 3. 13th Ave Mini Mart, 1821 13th Avenue
 4. Shari's of Kelso, 205 S. Kelso Drive
 5. Tim's Bar & Grill, 213 Allen St.
6. Auditing of Accounts

Kelso City Council Agenda

Regular Meeting, 7:00 pm
December 21, 2010
City Hall, Council Chambers
203 S. Pacific
Kelso, WA 98626



Citizen Business:

Council Business:

Action/Motion Items:

1. Ordinance, 2nd Reading
Latecomer Agreement
2. Ordinance, 2nd Reading
Setting 2011 Property Tax Levy Amount
3. Ordinance, 2nd Reading
Final Budget Reading

Other Items:

- City Manager Report
- Staff/Dept Head Reports
- Council Reports
- Other Business
- Executive Session

KELSO CITY COUNCIL
7:00 P.M.

December 7, 2010
REGULAR MEETING

Pastor John Jorgenson, Three Rivers Bible Church, gave the invocation. Mayor David Futcher led the flag salute. The Regular Meeting of the Kelso City Council was called to order by Mayor Futcher. Councilmembers in attendance were: Futcher, Karnofski, Schimmel, Myers, and Webb. Councilmember Roberson was absent and Councilmember McDaniel arrived late.

Minutes: Upon motion by Councilmember Schimmel, seconded by Councilmember Myers, 'Approve the Minutes of the 11/16/10 Regular Meeting,' motion carried, all voting yes.

PUBLIC HEARING – CONTINUATION OF BUDGET HEARING 2011-2012:

Mayor Futcher opened the Public Hearing at 7:02 p.m. Citizens were invited to speak; however, there were no comments from the public. Mayor Futcher closed the Public Hearing at 7:03 p.m.

CONSENT AGENDA:

1. **Close out Demolition of (a) Terry's Salvage, 1124 N. Pacific and (b) Single Residence at 1504 N. 2nd with TruFrame in the amount of \$69,271.80**
2. **Lease Assignment to Dutch Bros (104 Kelso Drive)**
3. **Catlin Hall-Kelso Senior Center Memorandum of Understanding**
4. **Water Wheeling Agreement-Beacon Hill Water & Sewer District**
5. **Appointment to Park Board – Dan Jones**
6. **Liquor License Application – Your Homebrew, 305 W. Main Street, Suite A**

Mayor Futcher asked if any items should be removed for separate consideration. There were requests to remove the demolition of Terry's Salvage and the Water Wheeling Agreement from the Consent Agenda. Upon motion by Councilmember Myers, seconded by Councilmember Karnofski, 'Approve the Consent Agenda, with the removal of Item No. 1 (a) and Item No. 4,' motion carried, all voting yes.

COUNCIL BUSINESS:

Council Rules Review: Mayor Futcher spoke about a committee consisting of Councilmember Schimmel, Councilmember Roberson, and Mayor Futcher to draft the official rules of procedure for the Kelso City Council. The draft was sent to Councilmembers in September for their review. Upon motion by Councilmember Schimmel, seconded by Councilmember Myers, 'Approve the Council Rules as submitted.' Discussion followed.

Kelso City Attorney Janean Parker made the following suggestions:

Section 7-G – Meeting Place – There are occasions the Council might want to allow Special meetings to be held outside the city; however, language can be included stating no decisions will be made outside the city.

Section 7-F – Adjournment – Suggested including language to allow the meetings to end earlier if all business has been conducted.

Janean also said there are only two kinds of meetings under State law; that is, Regular and Special meetings. She suggested removing the reference to “Workshops”.

Councilmember Webb spoke about needing more time to review the document. Upon motion by Councilmember Webb, seconded by Councilmember Myers, ‘Table the motion to approve the Council Rules as submitted.’ Councilmembers Karnofski, Myers, Webb, and Schimmel voted yes. Mayor Fletcher voted no. Motion passed 4 to 1.

CITIZEN BUSINESS:

Anthony J. Currera, 803 S. 6th Avenue, spoke about a recent issue he had with a couple of dogs running loose. He called police and animal control personnel, but nothing was resolved. Chief Andy Hamilton said his door is always open and invited Tony to stop by to try to get the problem resolved.

Councilmember McDaniel arrived at 7:14 p.m.

Jerry Reagor, 335 Hazel, spoke about South Pacific from Yew Street to Hazel being in the county. The residential property from Yew Street to Hazel is in the county, but the street is in the city. He spoke about a lack of money to repair the street and suggested contacting the county to see if they would take it, since they already have other streets in that area. Mr. Reagor said he appreciated the work that has been done to the streets in the city. He also spoke about the railroad needing to clean up the area near the Peter Crawford House.

Continuation of Consent Agenda (Items that were Previously Removed):

Close out Demolition of Terry’s Salvage, 1124 N. Pacific:

Upon motion by Councilmember Myers, seconded by Councilmember Schimmel, ‘Approve the close-out of Terry’s Salvage.’ Councilmember Myers asked for clarification of the name of the contractor. Community Development Director Michael Kerins said the correct name of the business is TruFrame, LLC. Motion carried, all voting yes.

Water Wheeling Agreement-Beacon Hill Water & Sewer District:

Upon motion by Councilmember Schimmel, seconded by Councilmember Myers, 'Approve the Beacon Hill Water & Sewer District.' Public Works Director David Sypher said many years ago the City entered into an agreement with PUD for wheeling water to four different water districts. Currently, there are only two water districts remaining; i.e., Cowlitz Gardens and Williams-Finney. A new agreement is being brought to Council because the old one is outdated, and the PUD is trying to get out of the water district. Motion carried, all voting yes.

MOTION ITEMS:

Ordinance No. 10-3735 - Budget Revision #3 for 2010 Fiscal Year: The Deputy City Clerk read the proposed ordinance by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Karnofski, 'Adopt Ordinance No. 10-3735, 'AN ORDINANCE OF THE CITY OF KELSO AMENDING THE 2010 BUDGET TO REFLECT REVENUES AND APPROPRIATE FUNDS TO COVER EXPENDITURES OVER AND ABOVE THOSE ANTICIPATED AT THE TIME SAID BUDGET WAS ADOPTED.' Finance Director/City Clerk Brian Butterfield said if this budget revision is approved, Councilmembers will authorize going into reserves for approximately \$800,000. There would be no wiggle room next year to use any reserves. If it is not approved, we will go into reserves the \$430,000 that was originally budgeted. The amount could change depending on the jail bills for the last quarter and the amount of money we have to pay the County for court costs. Discussion followed. Motion carried, all voting yes.

Ordinance No. 10-3736 - Increase Business License Fees: The Deputy City Clerk read the proposed ordinance by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Myers, 'Adopt Ordinance No. 10-3736, 'AN ORDINANCE OF THE CITY OF KELSO AMENDING ORDINANCE NOS. 3657 and 3558, CODIFIED AS KMC 5.02.060 REGARDING BUSINESS REGISTRATION/LICENSE FEES FOR ENGAGING IN ANY BUSINESS IN THE CITY OF KELSO.' Councilmembers Karnofski, Myers, McDaniel, Webb, and Futchter voted yes. Councilmember Schimmel voted no. Motion passed 5 to 1.

Ordinance (1st Reading) – Setting 2011 Property Tax Levy Amount: The Deputy City Clerk read the proposed ordinance by title only. Upon motion by Councilmember Myers, seconded by Councilmember McDaniel, 'Pass on 1st Reading, 'AN ORDINANCE OF THE CITY OF KELSO FIXING THE ESTIMATED AMOUNT TO BE RAISED BY AD VALOREM TAXES AT \$1,329,253 FOR THE 2011 BUDGET OF THE CITY.' Discussion followed. Councilmembers Karnofski, Myers, McDaniel, and Futchter voted yes. Councilmembers Schimmel and Webb voted no. Motion passed 4 to 2.

Ordinance (1st Reading) – Final Budget Reading: The Deputy City Clerk read the proposed ordinance by title only. Upon motion by Councilmember McDaniel, seconded

by Councilmember Karnofski, 'Pass on 1st Reading, 'AN ORDINANCE RELATING TO MUNICIPAL FINANCE AND ADOPTING A BUDGET FOR THE CITY OF KELSO FOR THE 2011/12 FISCAL YEARS.' Mayor Fatcher said this budget does not anticipate any changes and it still includes the layoffs in the Police Department, since the proposal was not approved by the bargaining unit. Finance Director/City Clerk Butterfield spoke about the possibility of going into reserves by over \$500,000, if the cuts in KPD did not stand. Further discussion followed. Upon motion by Councilmember Schimmel, 'Amend the budget by reducing the salary of the Councilmembers by 50 percent.' City Attorney Parker said if passed, it wouldn't take affect for any councilmembers currently in office. The motion died for lack of a second. Upon motion by Councilmember Schimmel, seconded by Councilmember Webb, 'Amend the budget by reducing Councilmembers' salaries by 25 percent.' Discussion followed. Councilmembers Karnofski, Myers, McDaniel, and Fatcher voted no. Councilmembers Schimmel and Webb voted yes. Motion failed 4 to 2. Mayor Fatcher reminded Councilmembers of the original motion, to pass the ordinance on 1st reading. Motion carried, all voting yes.

Ordinance (1st Reading) – Amending Ordinance #10-3731 Regarding Latecomer

Agreement: The Deputy City Clerk read the proposed ordinance by title only. Upon motion by Councilmember Schimmel, seconded by Councilmember McDaniel, 'Pass on 1st Reading, 'AN ORDINANCE OF THE CITY OF KELSO AMENDING ORDINANCE NO. 10-3731, AMENDING KMC 13.04.140, REGARDING THE CITY'S LATECOMER AGREEMENT, AS MORE PARTICULARLY DESCRIBED HEREIN,' motion carried, all voting yes.

Resolution No. 10-1033 – Assignment and Transfer to Beacon Hill Sewer District of

Water Wheeling Agreement: The Deputy City Clerk read the proposed resolution by title only. Upon motion by Councilmember Schimmel, seconded by Councilmember Myers, 'Adopt Resolution No. 10-1033, 'A RESOLUTION OF THE CITY OF KELSO, COWLITZ COUNTY, WASHINGTON CONSENTING TO THE ASSIGNMENT AND TRANSFER TO BEACON HILL SEWER DISTRICT OF WATER WHEELING AGREEMENT AND INTERLOCAL AGREEMENT FOR INTERIM WATER PURCHASE,' motion carried, all voting yes.

WALK ON ITEMS:

Mayor Fatcher asked Finance Director/City Clerk Brian Butterfield to explain the three walk-on items. Brian spoke about the plans to build a reservoir and several waterline improvements that will be taking place. A bond opportunity came up on November 30th when the Cowlitz County Commissioners voted not to use their allocation for some money that was available from the recovery act in the form of low-interest taxable bonds. It usually takes about two months to go through the bonding process. The bonds have to be issued by the end of the year.

Resolution No. 10-1034 – Adopting Post-Issuance Policies and Procedures for

Bonds: The Deputy City Clerk read the proposed resolution by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Karnofski, 'Adopt Resolution No. 10-1034, 'A

RESOLUTION OF THE CITY OF KELSO, WASHINGTON, ADOPTING POST-ISSUANCE COMPLIANCE POLICIES AND PROCEDURES FOR TAX-EXEMPT AND TAX-ADVANTAGED BONDS.' Public Works Director David Sypher said this pertains to the Paxton Road reservoir. He also spoke about the program they have been working on for three years pertaining to the urgent failing waterline list. The design is complete and this will provide the funding to complete the project. Motion carried, all voting yes.

Resolution No. 10-1035 – Designating the City of Kelso as a Recovery Zone for the Purpose of Issuing Recovery Zone Economic Development Bonds:

The Deputy City Clerk read the proposed resolution by title only. Upon motion by Councilmember Myers, seconded by Councilmember McDaniel 'Adopt Resolution No. 10-1035, 'A RESOLUTION OF THE CITY OF KELSO, WASHINGTON, DESIGNATING A RECOVERY ZONE FOR PURPOSES OF SECTIONS 1400U-1 AND 1400U-2 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009.' Finance Director/City Clerk Butterfield said there are around four things that can qualify a city to be designated as a recovery zone, and Kelso passed in three of the four categories. Discussion followed. Motion carried, all voting yes.

Ordinance (1st Reading) – Providing for the Issuance of \$4,225,000 Par Value

Water/Sewer Revenue Bonds: The Deputy City Clerk read the proposed ordinance by title only. Upon motion by Councilmember McDaniel, seconded by Councilmember Myers, 'Pass on 1st Reading, 'AN ORDINANCE OF THE CITY OF KELSO, WASHINGTON, RELATING TO THE WATER SYSTEM AND SYSTEM OF SANITARY SEWAGE DISPOSAL OF THE CITY; PROVIDING FOR THE ISSUANCE OF TWO SERIES OF WATER AND SEWER REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF \$4,225,000 TO PROVIDE THE FUNDS NECESSARY TO CONSTRUCT A NEW WATER RESERVOIR AND REPLACE CERTAIN WATER MAINS IN THE CITY; FIXING THE DATE, INTEREST RATES, FORM, MATURITIES, TERMS AND COVENANTS OF THOSE BONDS; APPROVING THE SALE AND PROVIDING FOR THE DELIVERY OF THE BONDS TO MARTIN NELSON & CO., INC. OF SEATTLE, WASHINGTON.' Brian noted the bond will be issued in two series (A and B). The Series A Bond is a traditional tax exempt bond, and it will be issued in the amount of \$560,000. The Series B Bond is the recovery zone economic development bond, and it will be issued in the amount of \$3,665,000. The Series B Bond is not a tax exempt bond; however, the City will receive a 45 percent subsidy from the IRS on all interest payments. Discussion followed. Motion carried, all voting yes.

CITIZEN BUSINESS:

Mayor Futch asked Councilmembers if they wanted to allow further comments from citizens who turned in their slips late. It was the consensus of the Council to allow them to speak at this time.

Randal Meirndorf, 1015 S. 13th Avenue, spoke about the fee for turning off water going from \$60 to \$100 and discontinuing the hanging of door tags that notify customers their water is about to be turned off. Discussion followed.

Heather Douglas, 916 S. 6th Avenue, spoke about the changes making it harder for people who are having financial difficulties to pay their water bills.

Jerry Reagor, 335 Hazel, spoke about an elderly couple who had the money, but just forgot to pay the bill.

Mayor Futch said the City also has to protect the people who pay their bills on time so they don't have to subsidize everyone else. It was suggested people who tend to forget to pay their bills might want to sign up for Rapid Pay, which automatically takes the money out of their account and pays the bill. Further discussion followed.

MANAGER'S REPORT:

Dennis Richards: 1) The last couple of months have been really tough. Last week, when we had to mail out layoff notices, was the toughest time I have had in my career in city management. 2) We have the Kelso Village Street Plan in our hands. We might start seeing some progress in January. 3) The library remodel is coming along. 4) A permit has been issued for the old Hilander to be torn down. 5) Splits received a license from the Gambling Commission for card tables. 6) Thanks to the employees and staff who supported a couple of families at Thanksgiving. We are doing the same thing for Christmas. There is a giving tree upstairs for anyone who would like to take a tag. 7) Councilmember Webb spoke about the budget and asked if the discussion concerning the Police Department was over. Denny said they voted not to take a 5 percent cut to save the layoffs.

STAFF REPORTS:

Janean Parker: I will be meeting with the attorneys representing the other entities in the airport governance agreement to try to figure out what the attorneys' issues are. We will also try to address some of the issues raised by the FAA representative. City Manager Richards, the chairman of that board, said this has been a cumbersome process.

David Sypher: 1) This is the time of year we are doing our inventories as required by law, planning for the next year's construction season, cleaning out the leaves in the catch basins, and doing our design work in the engineering offices. 2) We were successful in

receiving a \$4.6 million grant for the West Main project. This will allow us to get two of the three projects done. The design and environmental review will take place during 2011 and construction will take place in 2012. 3) We have been putting in a lot of work on the reservoir and water main project that you just approved the funding for tonight. 4) In January, we will be bidding on some projects. 5) These are difficult times. The budget issue is a tough thing. I am proud of everyone for the work they are doing.

Michael Kerins: No report

Cindy Donaldson: 1) The library will close December 23rd at 5:00 p.m. to begin packing and moving to the Three Rivers Mall. We plan to open January 15th. 2) We had three Christmas parties this past week, with over ninety children and their families attending. 3) As the co-chair of the Kelso Tree Lighting Festival, I would like to thank all who helped to make it a successful event.

Andrew Hamilton: Spoke about the investment the City has made and the importance of keeping trained officers and asked Councilmembers to amend the budget by using whatever money is available to limit officer layoffs. The loss of six officers would drastically affect public service. (Two officers are taking early retirements, one is being transferred to the Task Force, and three officers and a records clerk would be laid off.) Mayor Futch said the proposal was to add on enough money to save the positions (approximately \$200,000) if the association would take a 5 percent pay cut (a savings of approximately \$90,000). Discussion followed. Upon motion by Councilmember Webb, seconded by Councilmember McDaniel, 'Utilize \$115,000 for 2011 and \$215,000 for 2012 to save jobs in the Police Department.' Discussion followed. Finance Director Butterfield noted this could put Chief Hamilton in an awkward position. Giving him \$100,000 next year and \$200,000 the following year, would mean he would have to lay off people one year and bring them back the following year. If you are going to go into reserves for the purpose of saving a police officer's job, you might want to do it in a way that would work better. Discussion followed. Upon motion by Councilmember Myers, 'Move to close this discussion.' Motion died for lack of a second. Further discussion followed. Mayor Futch spoke about the consensus of the Council at the November 4th Special Meeting which was to support dipping into the general reserves up to \$115,000 for 2011 and \$230,000 in 2012, if the Police Department agreed to take a 5 percent reduction in pay to save four jobs. (The offer was rejected.) Mayor Futch reminded Councilmembers of the motion that was before them; that is, to commit the funds that were allocated to reduce the layoffs.

Officer Ken Hochhalter, suggested reversing the amounts to \$215,000 for 2011 and \$115,000 for 2012, because it might buy them another year. Discussion followed.

Officer David Voelker, spoke about the process of getting a police officer, which costs the City lots of time and money. He would like the City to give the department and officers more time to prepare for what might happen next year at budget time.

Councilmember Webb said his original motion was intended to allot approximately \$300,000 over the next two years. How it is split up is not really an issue for him. Upon motion by Councilmember Webb, 'Amend my previous motion to allot approximately \$300,000 to the Police Department for retaining the officers for the next two years.' The motion died for lack of a second. Discussion followed. **Once again, Mayor Fatcher clarified the motion, which is to allocate \$115,000 and \$215,000 between the two years.** Discussion continued. Mayor Fatcher said eventually, we might need to ask the citizens if they would be willing to help fund public safety. Councilmember Webb voted yes. Councilmembers Karnofski, Myers, McDaniel, Schimmel, and Fatcher voted no. **The motion failed 1 to 5.**

Brian Butterfield: Due to the budget constraints, the Finance Department is proposing to shorten the hours we are open to the public (opening 9:00 to 5:00 rather than 8:00 to 5:00). Other departments, who are also losing employees, may want to do the same.

COUNCIL REPORTS:

John Karnofski: No report

Dan Myers: 1) Cowlitz Diking District No. 3 is looking for volunteers to patrol dikes during heavy rain and potential flooding. 2) The Kelso Tree Lighting was a great event. Unfortunately, we had one passenger headed for Eugene who missed the train because he didn't hear the announcement.

Todd McDaniel: No report

James Webb: No report

Gary Schimmel: 1) I want to encourage Councilmembers, in the future, to take a leadership role. We need to set an example and encourage employees to follow our lead. 2) Thanks to the staff for putting on the Kelso Tree Lighting event.

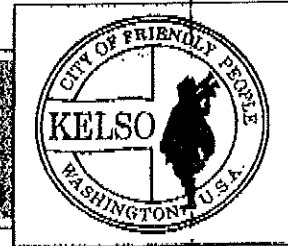
David Fatcher: No report

There being no further business, Mayor Fatcher adjourned the meeting at 9:02 p.m.

MAYOR

CITY CLERK

9AM 11/30



Name: TOTSY TABOR Address: 256 Golden Eagle Rd.
City: KELSO State: WA Zip: 98626
Phone: 508-209-1796 How long have you lived in Kelso: 3 yrs
Signature: [Signature] Date: 11/12/10

Please indicate the boards, commissions or committees on which you would be interested in serving. Check all that apply.

- ☐ Board of Adjustment and Appeals
- ☐ Civil Service
- ☐ Library Board
- ☒ Planning Commission
- ☐ Housing Authority
- ☐ Park Board
- ☐ Highlander Festival
- ☐ Lodging Tax Advisory Committee
- ☐ Stormwater Advisory Committee
- ☐ Other _____

Return completed application to:

City of Kelso
PO Box 819
Kelso, WA 98626

Fax number 360-423-6591

RECEIVED
CITY OF KELSO
NOV 12 2010

What is your interest/objective in serving on this Board/Committee?

To be involved in the Community. To have an impact on the direction of the City to live in. To do more than vote.

Do you have other civic obligations, if so what are they? None

What previous Experience do you have? No Committee experience

Current employment/Educational background: President/owner Floor Coverings International
- 2 years Eastern Oregon University - Business
- 2 years WSU Vancouver - Business Administration.

References with phone numbers please: Len Hatt - 360 580 6023
Justin Graham - 360 241 6299
Abbe Salisbury - 360 431-3348

*****Additional Information May Be Supplied*****

By signing this form, you agree to allow the City of Kelso to release to the press your answers, information and additional documents that you supplied with this application.

100

Applications for City of Kelso

Commissions, Boards, and Committees



Name: Dan Jones Address: 206 Teresa Way Apt 6
City: Kelso State: Washington Zip: 98626
Phone: (360)442-8138 How long have you lived in Kelso: 3 years
Signature: [Signature] Date: 10/28/2010

RECEIVED
CITY OF KELSO
OCT 29 2010

Please indicate the boards, commissions or committees on which you would be interested in serving. Check all that apply.

- ☐ Board of Adjustment and Appeals
- ☐ Civil Service
- ☐ Library Board
- ☒ Planning Commission
- ☐ Housing Authority
- ☒ Park Board
- ☐ Highlander Festival
- ☐ Lodging Tax Advisory Committee
- ☐ Stormwater Advisory Committee
- ☐ Other _____

Return completed application to:

City of Kelso
PO Box 819
Kelso, WA 98626

Fax number 360-423-6591

What is your interest/objective in serving on this Board/Committee? I am interested in serving our community; and, help make it a better place to live & work for those of us here now and for the people and businesses that will come.

Do you have other civic obligations, if so what are they? Currently none.

What previous Experience do you have? As a team leader at Entek I assist in making and enforcing company policies and serve as an instructor for continuing education for our technicians. While serving as a Longview Police Reserve Officer (2001-2008) I assisted in the enforcement of the codes of Washington and Longview, prevention and detection of crime, apprehension of criminals, and maintaining public order.

Current employment/Educational background: I am currently employed by Entek Corporation as a HVAC technician and industrial team leader. Education: graduated Kalama HS 1993; AA degree from LCC in Electronics 1996; HVAC Technician Certification from Inland Northwest HVAC Assn. 1999; Graduated Southwest Washington Reserve Police Academy 2001.

References with phone numbers please: Allan Shero-President of Entek Corp. (360)957-7721; Dave Campell-Service Manager of Entek Corp. (360)431-4132; Rick Roberson-Weyerhaeuser Company/Kelso City Council (360)560-5429

*****Additional Information May Be Supplied*****

By signing this form, you agree to allow the City of Kelso to release to the press your answers, information and additional documents that you supplied with this application.

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

Final close-out for NW 3rd Avenue Sewer
Replacement Project No. 590810

Agenda Item: _____

Dept. of Origin: Public Works

For Agenda of: December 21, 2010

Originator: Michael Kardas, P.E.

PRESENTED BY:

David M. Sypher, P.E.
Public Works Director

Cost of Item: \$255,636.46

City Manager: Dennis Richards

AGENDA ITEM ATTACHMENTS:

N/A

SUMMARY STATEMENT:

The NW 3rd Avenue Sewer Replacement Project was awarded to Brookhart Excavation LLC at the August 3, 2010 Council Meeting with a contract amount of \$249,298.45. Construction began on August 30, 2010 and was completed on November 12, 2010.

Final restoration was delayed due to weather and paving delays. The completed project replaced 975 feet of dilapidated concrete 10-inch concrete sewer pipe with 550 feet of new 12-inch and 425 feet of 8-inch PVC pipe. Seven new manholes were installed as part of the project. Redesign of the pavement restoration and savings during construction allowed for a new asphalt overlay of the entire project limit rather than a street patch.

Replacement of this line will reduce infiltration into the sewer system as well as reduce maintenance calls and cleaning frequency.

FINANCIAL SUMMARY

| | |
|---------------------------|----------------|
| Original Contract Amount | \$249,298.45 |
| Approved Change Orders | \$ 41,883.09 |
| Bid Item Over/Under runs | \$ (35,545.08) |
| Final Contract Amount | \$255,636.46 |
| Change in Contract Amount | \$ 6,338.01 |
| Retainage | \$ 11,845.99 |

Adequate funds are available in the budgeted sewer capital fund balance.

RECOMMENDED ACTION:

Staff recommends Council make motion to approve the close out of the NW 3rd Avenue Sewer Project authorizing the release of retainage upon receipt of final approval from the State of Washington Department of Labor and Industries, Department of Revenue, and Employment Security Department.

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

Water Treatment Chemical Purchase
Award Bids for Year 2011

Agenda Item: _____

Dept. of Origin: Public Works Department

For Agenda of: December 21, 2010

Cost of Item: \$46,670.00

City Manager: Dennis Richards

PRESENTED BY:

David M. Sypher, P.E.
Public Works Director

AGENDA ITEM ATTACHMENTS:

Bid Tabulation Sheet

SUMMARY STATEMENT:

This is the thirteenth year in which both Kelso and Longview have combined their quantities of Water Treatment Plant chemical bulk purchase to obtain favorable prices. Bids were opened on November 23, 2010 for the 2011 Water Treatment Chemical Purchase. Ten separate bids were received from chemical manufacturers and suppliers. The low bidders for the Water Treatment chemicals the City of Kelso requires are as follows:

| CHEMICAL | SUPPLIER | 2011 BID PRICE | 2010 BID PRICE |
|---------------------|--------------------|-----------------------|-----------------------|
| Sodium Hydroxide | Northstar Chemical | .70 / gallon | .71 / gallon |
| Sodium Hypochlorite | HASA, Inc | .61 / gallon | .67/ gallon |
| Sodium Fluoride | Brenntag Pacific | .815 / pound | .84 / pound |

FINANCIAL SUMMARY:

The total estimated Water Treatment Chemical cost for Kelso is \$46,670.00.

RECOMMENDED ACTION:

Staff recommends council make a motion to award bids to the respective low bidders for Water Treatment chemicals purchased for the year 2011.

2009 thru 2014

| Chemical Bid Prices 2009 | Order Phone Number | Chemical | Price/Ton | Price/Pound | Price/gal | Quantity | Yearly Cost |
|--------------------------|--------------------------|---------------------|-----------|-------------|-----------|----------|--------------------|
| Jones Chemical | 1-800-932-0160 | Sodium Hydroxide | | | 1.195 | 28,000 | \$33,460.00 |
| Hasa, Inc | 1-360-5789300 | Sodium Hypochlorite | | | 0.86 | 23,000 | \$19,780.00 |
| General Chemical Corp | 1-800-631-8050 Ext. 1940 | Alum | 379.12 | | | 12 | \$4,549.44 |
| Cascade Columbia | 1-877-625-5293 | Fluoride | | 0.745 | | 16,000 | \$11,920.00 |
| TOTAL | | | | | | | \$69,709.44 |

| Chemical Bid Prices 2010 | Order Phone Number | Chemical | Price/Ton | Price/Pound | Price/gal | Quantity | Yearly Cost |
|--------------------------|--------------------|---------------------|-----------|-------------|-----------|----------|--------------------|
| Jones Chemical | 1-800-932-0160 | Sodium Hydroxide | | | 0.71 | 28,000 | \$19,880.00 |
| Jones Chemical | 1-800-932-0160 | Sodium Hypochlorite | | | 0.67 | 23,000 | \$15,410.00 |
| | | Alum | | | | | \$0.00 |
| Cascade Columbia | 1-877-625-5293 | Fluoride | | 0.84 | | 16,000 | \$13,440.00 |
| TOTAL | | | | | | | \$48,730.00 |

| Chemical Bid Prices 2011 | Order Phone Number | Chemical | Price/Ton | Price/Pound | Price/gal | Quantity | Yearly Cost |
|--------------------------|--------------------|---------------------|-----------|-------------|-----------|----------|--------------------|
| Northstar Chemical | 1-888-793-9476 | Sodium Hydroxide | | | 0.7 | 28,000 | \$19,600.00 |
| HASA, Inc | 1-360-578-9300 | Sodium Hypochlorite | | | 0.61 | 23,000 | \$14,030.00 |
| | | Alum | | | | | \$0.00 |
| Brenntag Pacific | 1-503-221-6412 | Fluoride | | 0.815 | | 16,000 | \$13,040.00 |
| TOTAL | | | | | | | \$46,670.00 |

| Chemical Bid Prices 2012 | Order Phone Number | Chemical | Price/Ton | Price/Pound | Price/gal | Quantity | Yearly Cost |
|--------------------------|--------------------|---------------------|-----------|-------------|-----------|----------|---------------|
| | | Sodium Hydroxide | | | | | \$0.00 |
| | | Sodium Hypochlorite | | | | | \$0.00 |
| | | Alum | | | | | \$0.00 |
| | | Fluoride | | | | | \$0.00 |
| TOTAL | | | | | | | \$0.00 |

| Chemical Bid Prices 2013 | Order Phone Number | Chemical | Price/Ton | Price/Pound | Price/gal | Quantity | Yearly Cost |
|--------------------------|--------------------|---------------------|-----------|-------------|-----------|----------|---------------|
| | | Sodium Hydroxide | | | | | \$0.00 |
| | | Sodium Hypochlorite | | | | | \$0.00 |
| | | Alum | | | | | \$0.00 |
| | | Fluoride | | | | | \$0.00 |
| TOTAL | | | | | | | \$0.00 |

| Chemical Bid Prices 2014 | Order Phone Number | Chemical | Price/Ton | Price/Pound | Price/gal | Quantity | Yearly Cost |
|--------------------------|--------------------|---------------------|-----------|-------------|-----------|----------|---------------|
| | | Sodium Hydroxide | | | | | \$0.00 |
| | | Sodium Hypochlorite | | | | | \$0.00 |
| | | Alum | | | | | \$0.00 |
| | | Fluoride | | | | | \$0.00 |
| TOTAL | | | | | | | \$0.00 |

Fax Page 1/2

MEMORANDUM

November 29, 2010

| | | |
|---------------------------------------|---------------------|-------------------|
| To: Cascade Columbia Distribution Co. | Jeff Zachman | Fax: 503-636-8252 |
| EquaChlor, LLC | Steve Johnson | 360-636-4302 |
| General Chemical Corp. | Parul Kachhia-Patel | 973-515-4461 |
| Hasa, Inc. | Mary Flynn | 661-259-1538 |
| Jones Chemicals, Inc. | Michelle Trammell | 253-274-0733 |
| Kemira Water Solutions | Shelly Robinson | 785-842-2629 |
| Olin Chlor Alkali Products | Kathleen Bells | 209-835-9760 |
| Northstar Chemicals, Inc. | Matthew Werger | 503-625-1478 |
| Brenntag Pacific | Sam DeBellis | 503-223-1055 |
| Thatcher Co. | Jim Perkins | 406-721-3489 |
| TRRWA | Duane Leaf | 360-577-2041 |
| City of Kelso | Paul Reeb | 360-423-8196 |

From: Robert J. Menzies, Utilities Engineer *RJ.M.*Subject: 2011 Chemical Purchase Bid Results

The City conducted a bid opening for the annual purchase of chemicals for 2011. The bid package included chemicals for both the City of Longview and the City of Kelso. A bid tabulation sheet is included for your information.

Although both Cities have not formally awarded the results to the respective low bidders, I will present my recommendations to make the awards to the City of Longview's Council at a regularly scheduled Council meeting soon. I am also providing this information to the Three Rivers Regional Wastewater Authority (TRRWA) and the City of Kelso for their respective actions.

After bids are awarded, I will mail out to the low bidders of chemicals for use at the Longview Water Treatment Plant, a resale certificate, as prescribed by the Washington State Department of Revenue. If you have any questions or comments, please call me at 360-442-5220.

Cc: Jeff Cameron, Public Works Director
Vic Richards, RWTP
Jacki Masters, Utility Manager
Craig Bozarth, City Engineer

Fax Page 2/2



2011 Chemical Bid Tabulation Sheet for the City of Longview and the City of Kelso

November 23, 2010

| BIDDER | BID ITEM 1 LIQUID CHLORINE (15000) | BID ITEM 2 LIQUID CHLORINE (10000) | BID ITEM 3 SODIUM FLUOROSILICATE (15000) | BID ITEM 4 SODIUM FLUOROSILICATE (10000) | BID ITEM 5 SODIUM FLUOROSILICATE (5000) | BID ITEM 6 SODIUM FLUOROSILICATE (10000) | BID ITEM 7 SODIUM FLUOROSILICATE (5000) | BID ITEM 8 SODIUM FLUOROSILICATE (10000) | BID ITEM 9 SODIUM FLUOROSILICATE (5000) |
|--------------------|---------------------------------------|---------------------------------------|---|---|--|---|--|---|--|
| Cascade Columbia | \$436.67 | \$288.00 | \$0.79 | \$0.885 | | \$0.78 | | | |
| Equaether | | | | | \$0.75 | | | | |
| General Chemical | \$311.80 | | | | | | | | |
| HASA, Inc. | | | | | | | | | |
| Jones Chemicals | | | | | \$0.73 | \$0.67 | | | \$280.00 |
| Kemira Companies | \$326.00 | | | | | \$0.68 | | | \$280.00 |
| Odin Chlor Alkali | | | | | | | | | |
| Northstar Chemical | \$420.00 | | | | | \$1.10 | \$4.30 | | |
| Shennag Pacific | | | \$0.685 | \$0.815 | | | | | |
| Thatcher | \$441.00 | | \$1.68 | \$0.836 | | | | | |

Chemical Purchase Annual Comparison / Longview

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------|--------------|-----------|-----------|------|--------------|-----------|--------------|------|------|------|--------------|
| Liquid Alum | \$326.00 | 208 | \$67.809 | | \$311.90 | 208 | \$64,875.20 | | | | (\$2,932.80) |
| Hydrated Lime | \$288.00 | 75 | \$20.100 | | \$298.00 | 75 | \$22,350 | | | | \$2,250 |
| Sodium Fluorosilicate | \$1,460.00 | 15 | \$22,200 | | \$1,376.00 | 15 | \$20,640 | | | | (\$1,550) |
| Sodium Bisulfite | \$4.30 / Gal | 1,000 Gal | \$4,300 | | \$4.30 / Gal | 1,000 Gal | \$4,300 | | | | \$0 |
| Liquid Chlorine (Ton) | \$525.00 | 25 | \$13,125 | | \$590.00 | 25 | \$13,750 | | | | \$625 |
| Liquid Chlorine (15000) | \$85.00 | 18 | \$1,530 | | \$90.00 | 7 | \$630 | | | | (\$910) |
| 2010 Totals | | | \$125,083 | | 2011 Totals | | \$125,545.20 | | | | (\$2,517.80) |

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

SUBJECT TITLE:

Diking Certificate Loan

Agenda Item: _____

Dept. of Origin: Public Works Department

For Agenda of: December 21, 2010

PRESENTED BY:

David M. Sypher, P.E.
Public Works Director

Cost of Item: _____

City Manager: Dennis Richards

AGENDA ITEM ATTACHMENTS:

1. Reimbursement Agreement between City of Kelso and CDID #1
2. Agreement between City of Kelso and CDID #1 Community Development Block Grant Funds Levee Certification
3. Reimbursement Agreement between City of Kelso and CDID #3
4. Agreement between City of Kelso and CDID #3 Community Development Block Grant Funds Levee Certification
5. Reimbursement Agreement between City of Kelso and DID #1
6. Agreement between City of Kelso and DID #1 Community Development Block Grant Funds Levee Certification

SUMMARY STATEMENT:

Federal Emergency Management Agency's (FEMA) requires dike certification proving a flood protection system is providing protection from a 100 year flood event. Three diking districts border the city of Kelso and all require recertification. The respective districts intersect with Kelso as:

- DID #1 (Drainage Improvement District Number 1) runs on the east side of the Cowlitz River from the Kelso north city limit 0.85 miles south to Crawford Street.
- CDID #3 (Cowlitz Drainage Improvement District Number 3) runs on the east side of the Cowlitz River from Crawford Street 3.59 miles south to the confluence of the Coweeman River. It also includes both sides of the Coweeman River from the confluence of the Cowlitz River 3.97 miles easterly to Allen Street.
- CDID #1 (Cowlitz Drainage Improvement District Number 1) runs on the west side of the Cowlitz River 0.51 miles from Fishers Lane on the north to Washington Street on the south.
- Total Kelso dike miles are $0.85 + 3.59 + 2(3.97) + 0.51 = 12.89$ miles.

This project will benefit the city of Kelso residents by preventing undue flood insurance costs in the event the certification was not completed and by saving approximately 2.846 million dollars in consulting costs. According to census data from the US Department of Housing and Urban Development (HUD), at least 52 percent of the City's population meets the low- and moderate-income criteria. Under Community Development Block Grant (CDBG) regulations 24 CFR Part 570.208(a), this project meets CDBG national objective.

The city of Kelso has requested to use CDBG local program income funds for dike certifications. Approval is given to use these federal CDBG funds for the completion of the certification activity.

RECOMMENDED ACTION:

Staff recommends council make a motion approving the proposed agreements.

**AGREEMENT BETWEEN
CITY OF KELSO AND DRAINAGE IMPROVEMENT DISTRICT NO. 1
OF COWLITZ COUNTY, WASHINGTON
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
LEVEE CERTIFICATION**

This agreement is entered into between City of Kelso (City), a municipality of the State of Washington, and Drainage Improvement District No. 1 of Cowlitz County, Washington (District), a Special District pursuant to Chapter 85.38 RCW.

I. BACKGROUND

The United States Congress in 2003 passed legislation which became law that required the District's levees to be certified in order to demonstrate that 100-year protection was provided to the areas protected by those levees. In the event any areas protected by levees were not certified, those areas would be mapped "wet". "Wet" areas are subject to restrictions on development and flood insurance would be required for federally backed mortgages. In June 2007 the Federal Emergency Management Agency (FEMA) notified the District and City of these requirements.

Thereafter, the District, for a year, worked for certification with the United States Army Corps of Engineers (USACE) before being notified that the USACE could not provide levee certification services unless a minimum of 5% of the costs were paid with federal funds.

The USACE's current estimate of the cost of certification is \$210,000, while a private consultant cost estimate is \$291,000.

The District and the City worked together to secure necessary federal funds to enable the completion of the certification by the USACE, saving approximately \$81,000 for the property owners of the District.

In September of this year the City received approval from the U.S. Department of Housing and Urban Development and the Washington State Department of Commerce to utilize federal Community Development Block Grant funds (CDBG) for levee certification.

II. PURPOSE

The purpose of this agreement is to approve and provide the process for transferring CDBG funds from the City to the District and/or to the USACE for Levee Certification work completed by the USACE.

III. PROCESS

The USACE has stated that they will complete the certification process in two phases. The First Phase is estimated to cost approximately \$10,000 and the Second Phase

approximately \$200,000. Upon execution of the District / USACE agreement for levee certification, the District will notify the City of the amount of CDBG funds needed. The City will issue a check to the District and/or to the USACE as provided for in the District / USACE agreement.

IV. FUNDING

The City CDBG funding will be limited to \$15,000, available in two or more payments as provided for in the District / USACE agreement.

VII. AMENDMENT

The City and the District may mutually amend this Agreement. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind the City and the District.

XIV. EFFECTIVE DATE

This agreement will take effect when executed by the parties, and will remain in effect until the CDBG funds have been provided for the USACE levee certification project.

Executed this ____ day of January, 2010

Executed this ____ day of December, 2010.

**DRAINAGE IMPROVEMENT DISTRICT
NO. 1 OF COWLITZ COUNTY, WA**

CITY OF KELSO

Kenneth C. Stone, Supervisor

Mayor David Fletcher

ATTEST:

ATTEST:

District Secretary

City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Attorney for District

City Attorney

**REIMBURSEMENT AGREEMENT BETWEEN
CITY OF KELSO AND DRAINAGE IMPROVEMENT DISTRICT NO. 1
OF COWLITZ COUNTY, WASHINGTON**

This agreement is entered into between City of Kelso (City), a municipality of the State of Washington, and Drainage Improvement District No. 1 of Cowlitz County, Washington (District), a Special District pursuant to Chapter 85.38 RCW.

I. BACKGROUND

The United States Congress in 2003 passed legislation which became law that required the District's levees to be certified in order to demonstrate a 100-year protection was provided to the areas protected by those levees. In the event any areas protected by levees were not certified, such areas would be mapped "wet". "Wet" areas are subject to restrictions on development and flood insurance would be required for federally backed mortgages. In June 2007 the Federal Emergency Management Agency (FEMA) notified the District and City of these requirements.

Thereafter, the District, for a year, worked for certification with the United States Army Corp of Engineers (USACE) before being notified that the USACE could not provide levee certification services unless a minimum of 5% of the costs were paid with federal funds.

The USACE current estimate of the cost of certification is \$210,000 while a private consultant cost estimate is \$291,000.

The District and the City worked together to secure necessary federal funds to enable the completion of the certification by the USACE, saving approximately \$81,000 for the property owners of the District.

In September of this year the City received approval from the U.S. Department of Housing and Urban Development and the Washington State Department of Commerce to utilize federal Community Development Block Grant funds (CDBG) for levee certification.

In December 2010 the City and the District signed an agreement providing for City CDBG funds to be used for levee certification thereby allowing the USACE to accomplish the work.

II. PURPOSE

The purpose of this agreement is to provide for the District's reimbursement to the City for CDBG funds provided to the District / USACE for Levee Certification work.

III. PROCESS

The District shall reimburse the City within 30 days of the City issuing a check of CDBG funds to the District / USACE for levee certification. If funds are not reimbursed within 30 days interest will be due at the rate of 0.45% per month or part thereof.

IV. AMENDMENT

The City and the District may mutually amend this Agreement. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind the City and the District.

V. EFFECTIVE DATE

This agreement will take effect when executed by the parties, and will remain in effect until all City CDBG funds provided for levee certification have been reimbursed.

Executed this ____ day of January, 2011

Executed this ____ day of December, 2010.

**DRAINAGE IMPROVEMENT DISTRICT
NO. 1 OF COWLITZ COUNTY, WA**

CITY OF KELSO

Supervisor

Mayor David Futcher

Kenneth C. Stone,

ATTEST:

ATTEST:

District Secretary

City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Attorney for District

City Attorney

**AGREEMENT BETWEEN
CITY OF KELSO AND CONSOLIDATED DIKING IMPROVEMENT DISTRICT #3
OF COWLITZ COUNTY, WASHINGTON
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
LEVEE CERTIFICATION**

This agreement is entered into between City of Kelso (City), a municipality of the State of Washington, and Consolidated Diking Improvement District #3 of Cowlitz County, Washington (District), a Special District pursuant to Chapter 85.38 RCW.

I. BACKGROUND

The United States Congress in 2003 passed legislation which became law that required the District's levees to be certified in order to demonstrate a 100-year protection was provided to the areas protected by those levees. In the event any areas protected by levees were not certified, those areas would be mapped "wet". "Wet" areas are subject to restrictions on development and flood insurance would be required for federally backed mortgages. In June 2007 the Federal Emergency Management Agency (FEMA) notified the District and City of these requirements.

Thereafter, the District, for a year, worked for certification with the United States Army Corp of Engineers (USACE) before being notified that the USACE could not provide levee certification services unless a minimum of 5% of the costs were paid with federal funds.

The USACE current estimate of the cost of certification is \$210,000 while a private consultant cost estimate is \$1,070,000.

The District and the City worked together to secure necessary federal funds to enable the completion of the certification by the USACE, saving approximately \$860,000 for the property owners of the District.

In September of this year the City received approval from the U.S. Department of Housing and Urban Development and the Washington State Department of Commerce to utilize federal Community Development Block Grant funds (CDBG) for levee certification.

II. PURPOSE

The purpose of this agreement is approve and provide the process for transferring CDBG funds from the City to the District and/or to the USACE for Levee Certification work completed by the USACE.

III. PROCESS

The USACE has stated that they will complete the certification process in two phases. The First Phase is estimated to cost approximately \$10,000 and the Second Phase approximately \$200,000. Upon execution of the District / USACE agreement, for levee

certification, the District will notify the City of the amount of CDBG funds needed. The City will issue a check to the District and/or to the USACE as provided for in the District/USACE agreement.

IV. FUNDING

The City CDBG funding will be limited to \$15,000, available in two or more payments as provided for in the District / USACE agreement.

VII. AMENDMENT

The City and the District may mutually amend this Agreement. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind the City and the District.

XIV. EFFECTIVE DATE

This agreement will take effect when executed by the parties, and will remain in effect until the CDBG funds have been provided for the USACE levee certification project.

Executed this ____ day of January, 2011

Executed this ____ day of December, 2010.

**CONSOLIDATED DIKING
IMPROVEMENT DISTRICT #3 OF
COWLITZ COUNTY, WASHINGTON**

CITY OF KELSO

Chairman

Mayor David Futcher

Supervisor

Supervisor

ATTEST:

ATTEST:

District Secretary

City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Attorney for District

City Attorney

**REIMBURSEMENT AGREEMENT BETWEEN
CITY OF KELSO AND CONSOLIDATED DIKING IMPROVEMENT DISTRICT #3
OF COWLITZ COUNTY, WASHINGTON**

This agreement is entered into between City of Kelso (City), a municipality of the State of Washington, and Consolidated Diking Improvement District #3 of Cowlitz County, Washington (District), a Special District pursuant to Chapter 85.38 RCW.

I. BACKGROUND

The United States Congress in 2003 passed legislation which became law that required the District's levees to be certified in order to demonstrate a 100-year protection was provided to the areas protected by those levees. In the event any areas protected by levees were not certified, such areas would be mapped "wet". "Wet" areas are subject to restrictions on development and flood insurance would be required for federally backed mortgages. In June 2007 the Federal Emergency Management Agency (FEMA) notified the District and City of these requirements.

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In December 2010 the City and the District signed an agreement providing for City CDBG funds to be used for levee certification thereby allowing the USACE to accomplish the work.

II. PURPOSE

The purpose of this agreement is to provide for the District's reimbursement to the City for CDBG funds provided to the District / USACE for Levee Certification work.

III. PROCESS

The District shall reimburse the City within 30 days of the City issuing a check of CDBG funds to the District / USACE for levee certification. If funds are not reimbursed within 30 days interest will be due at the rate of 0.45% per month or part thereof.

IV. AMENDMENT

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V. EFFECTIVE DATE

This agreement will take effect when executed by the parties, and will remain in effect until all City CDBG funds provided for levee certification have been reimbursed.

Executed this ____ day of January, 2011

Executed this ____ day of December, 2010.

**CONSOLIDATED DIKING
IMPROVEMENT DISTRICT #3
OF COWLITZ COUNTY, WASHINGTON**

CITY OF KELSO

Chairman

Mayor David Futcher

Supervisor

Supervisor

ATTEST:

ATTEST:

District Secretary

City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Attorney for District

City Attorney

**AGREEMENT BETWEEN
CITY OF KELSO AND CONSOLIDATED DIKING IMPROVEMENT DISTRICT #1
OF COWLITZ COUNTY, WASHINGTON
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
LEVEE CERTIFICATION**

This agreement is entered into between City of Kelso (City), a municipality of the State of Washington, and Consolidated Diking Improvement District #1 of Cowlitz County, Washington (District), a Special District pursuant to Chapter 85.38 RCW.

I. BACKGROUND

The United States Congress in 2003 passed legislation which became law that required the District's levees to be certified in order to demonstrate a 100-year protection was provided to the areas protected by those levees. In the event any areas protected by levees were not certified, those areas would be mapped "wet". "Wet" areas are subject to restrictions on development and flood insurance would be required for federally backed mortgages. In June 2007 the Federal Emergency Management Agency (FEMA) notified the District and City of these requirements.

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The USACE current estimate of the cost of certification is \$210,000 while a private consultant cost estimate is \$2,000,000.

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II. PURPOSE

The purpose of this agreement is to approve and provide the process for transferring CDBG funds from the City to the District and/or to the USACE for Levee Certification work completed by the USACE.

III. PROCESS

The USACE has stated that they will complete the certification process in two phases. The First Phase is estimated to cost approximately \$10,000 and the Second Phase approximately \$200,000. Upon execution of the District / USACE agreement, for levee certification, the District will notify the City of the amount of CDBG funds needed. The City will issue a check to the District and/or to the USACE as provided for in the District / USACE agreement.

IV. FUNDING

The City CDBG funding will be limited to \$15,000, available in two or more payments as provided for in the District / USACE agreement.

VII. AMENDMENT

The City and the District may mutually amend this Agreement. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind the City and the District.

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Executed this ____ day of December, 2010

Executed this ____ day of December, 2010.

**CONSOLIDATED DIKING
IMPROVEMENT DISTRICT #1 OF
COWLITZ COUNTY, WASHINGTON**

CITY OF KELSO




Ray E. Caldwell, Chairman

David Fletcher, Mayor



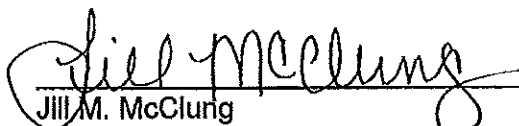
Bill Hallanger, Vice-Chairman



Sherry Bean, Secretary

ATTEST:

ATTEST:

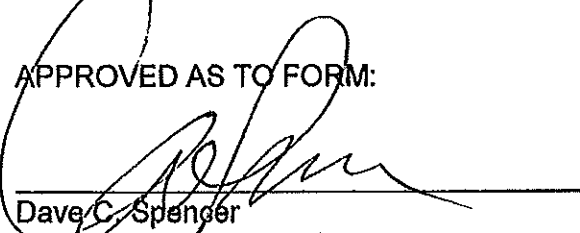


Jill M. McClung
Administrative Secretary

City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:



Dave C. Spender
CDID #1 Legal Counsel

City Attorney

**REIMBURSEMENT AGREEMENT BETWEEN
CITY OF KELSO AND CONSOLIDATED DIKING IMPROVEMENT DISTRICT #1
OF COWLITZ COUNTY, WASHINGTON**

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III. PROCESS

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IV. AMENDMENT

The City and the District may mutually amend this Agreement. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind the City and the District.

V. EFFECTIVE DATE

This agreement will take effect when executed by the parties, and will remain in affect until all City CDBG funds provided for levee certification have been reimbursed.

Executed this ____ day of December, 2010

Executed this ____ day of December, 2010.

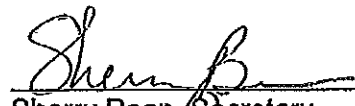
**CONSOLIDATED DIKING
IMPROVEMENT DISTRICT #1
OF COWLITZ COUNTY, WASHINGTON**



Ray E. Caldwell, Chairman

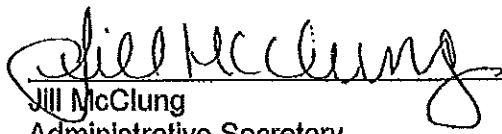


Bill Hallanger, Vice Chairman



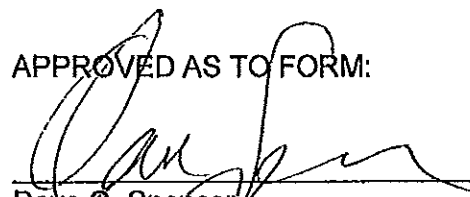
Sherry Bean, Secretary

ATTEST:



Jill McClung
Administrative Secretary

APPROVED AS TO FORM:



Dave C. Spencer
CDID #1 Legal Counsel

CITY OF KELSO

David Fatcher, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

AGENDA SUMMARY SHEET

Business of the City Council City of Kelso, Washington

**SUBJECT TITLE: Liquor License
Renewals**

Agenda Item No: _____

Dept. of Origin: **Finance**

Date of Meeting: **December 21, 2010**

Originator: **Brian Butterfield** *BB*

PRESENTED BY: Brian Butterfield

City Attorney: _____

City Manager: _____

Agenda Item Attachments:

See attached request for Liquor License Renewal(s):

| | |
|--------------------------------|------------------------------|
| Rite Aid #5287 | 230 Kelso Drive |
| Scooter's Bar and Grill | 1107 N. Pacific Avenue |
| 13 th Ave Mini Mart | 1821 13 th Avenue |
| Shari's of Kelso | 205 S. Kelso Drive |
| Tim's Bar & Grill | 213 Allen Street |

SUMMARY STATEMENT:

Various departments have been requested to give their input. Comments will be available by the date of the City Council Meeting. The Finance Staff recommends this request be acted on by the City Council.

C091080-2

WASHINGTON STATE LIQUOR CONTROL BOARD

DATE: 12/06/2010

LICENSED ESTABLISHMENTS IN INCORPORATED AREAS CITY OF KELSO
(BY ZIP CODE) FOR EXPIRATION DATE OF 20110331

| LICENSEE | BUSINESS NAME AND ADDRESS | LICENSE NUMBER | PRIVILEGES |
|-----------------------------------|--|----------------|-----------------------------|
| 1. THRIFTY PAYLESS, INC. | RITE AID #5287 230 KELSO DR KELSO WA 98626 0000 | 364471 | GROCERY STORE - BEER/WINE |
| 2. WRIGHT, SUSAN D | SCOOTER'S BAR AND GRILL 1107 N PACIFIC AVE KELSO WA 98626 0000 | 353422 | SPIRITS/BR/WN REST LOUNGE - |
| 3. SANGNOK CORPORATION | 13TH AVE MINI MART 1821 13TH AVE KELSO WA 98626 0000 | 081029 | GROCERY STORE - BEER/WINE |
| 4. SHARI'S MANAGEMENT CORPORATION | SHARI'S OF KELSO 205 S KELSO DR KELSO WA 98626 3118 | 085795 | BEER/WINE REST - BEER/WINE |
| 5. BONNER, TIMOTHY ALLEN | TIM'S BAR & GRILL 213 ALLEN ST KELSO WA 98626 3403 | 354193 | SPIRITS/BR/WN REST LOUNGE - |



**Washington State
Liquor Control Board**

PO Box 43098, 3000 Pacific Ave. SE, Olympia WA 98504-3098, (360) 664-1600
WWW.LIQUOR.WA.GOV Fax #: (360) 753-2710

December 06, 2010

Dear Local Authority:

RE: Liquor License Renewal Applications in Your Jurisdiction - Your Objection Opportunity

Enclosed please find a list of liquor-licensed premises in your jurisdiction whose liquor licenses will expire in about 90 days. This is your opportunity to object to these license renewal requests as authorized by RCW 66.24.010 (8).

1) Objection to License Renewal

To object to a liquor license renewal: fax or mail a letter to the Washington State Liquor Control Board (WSLCB) Licensing Division. This letter must:

- o Detail the reason(s) for your objection, including a statement of all the facts upon which your objection or objections are based. You may include attachments and supporting documents which contain or confirm the facts upon which your objections are based.
- o Please note that whether a hearing will be granted or not is within the Board's discretion per RCW 66.24.010 (8)(d).

Your letter or fax of objection must be received by the Board's Licensing Division at least 30 days prior to the license expiration date. If you need additional time you must request that in writing. Please be aware, however, that it is within the Board's discretion to grant or deny any requests for extension of time to submit objections. Your request for extension will be granted or denied in writing. If objections are not timely received, they will not be considered as part of the renewal process.

A copy of your objection and any attachments and supporting materials will be made available to the licensee, therefore, it is the Local Authority's responsibility to redact any confidential or non-disclosable information (see RCW 42.56) prior to submission to the WSLCB.

2) Status of License While Objection Pending

During the time an objection to a renewal is pending, the permanent liquor license is placed on hold. However, temporary licenses are regularly issued to the licensee until a final decision is made by the Board.

3) Procedure Following Licensing Division Receipt of Objection

After we receive your objection, our licensing staff will prepare a report for review by the Licensing Director. The report will include your letter of objection, as well as any attachments and supporting documents you send. The Licensing Director will then decide to renew the liquor license, or to proceed with non-renewal.

4) Procedure if Board Does Not Renew License

If the Board decides not to renew a license, we will notify the licensee in writing, stating the reason for this decision. The licensee also has the right to request a hearing to contest non-renewal of their liquor license. RCW 66.24.010 (8)(d). If the licensee makes a timely request for a hearing, we will notify you.

The Board's Licensing Division will be required to present evidence at the hearing before an administrative law judge to support the non-renewal recommendation. You may present evidence in support of your objection or objections. The administrative law judge will consider all of the evidence and issue an initial order for the Board's review. The Board members have final authority to renew the liquor license and will enter a final order announcing their decision.

5) Procedure if Board Renews License Over Your Objection

If the Board decides to renew the license over your objection, you will be notified in writing. At that time, you may be given an opportunity to request a hearing. An opportunity for a hearing is offered at the Board's discretion. If a hearing is held, you will be responsible for presenting evidence before an Administrative Law Judge in support of your objection to license renewal. The Board's Licensing Division will present evidence in support of license renewal. The Licensee may also participate and present evidence if the licensee desires. The administrative law judge will consider all of the evidence, and issue an initial order for the Board's review. The Board members have final authority to renew the liquor license and will enter a final order announcing their decision.

For questions about this process, contact the WSLCB Licensing Division at (360) 664-1600 or email us at wslcb@liq.wa.gov.

Sincerely,

Alan E. Rathbun

Alan E. Rathbun, Director,
Licensing and Regulation Division

LIQ 864 07/10

AGENDA SUMMARY SHEET

Business of the City Council

City of Kelso, Washington

SUBJECT TITLE:

Ordinance, 2nd Reading – Amending Ordinance No. 10-3731, Amending KMC 13.04.140, regarding the City's Latecomer Agreement

Agenda Item: 1

Dept. of Origin: Engineering Department

For Agenda of: December 21, 2010

Cost of Item: _____

City Manager: Dennis Richards

PRESENTED BY:

David M. Sypher, P.E.
Public Works Director

AGENDA ITEM ATTACHMENTS:

Proposed Ordinance

SUMMARY STATEMENT:

As a house keeping measure, staff is bringing the Latecomer's Agreement forward. This provision was originally intended to apply to all infrastructures, but the current language limits it to only the water system. Adopting the attached ordinance allows the Latecomer's Agreement to apply to all infrastructure development.

RECOMMENDED ACTION:

Staff recommends council make a motion to adopt the proposed ordinance, amending KMC 13.04.140, on 2nd reading.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KELSO AMENDING ORDINANCE NO. 10-3731, AMENDING KMC 13.04.140, REGARDING THE CITY'S LATECOMER AGREEMENT, AS MORE PARTICULARLY DESCRIBED HEREIN.

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS FOLLOWS:

SECTION 1. That KMC 13.04.140, entitled "Latecomer Agreements," is hereby amended to provide as follows:

13.04.140 Latecomer Agreements.

A. **Purpose and Term.** Any property owner utilizing private funds to install public ~~water system- infrastructure~~ improvements may apply to the city to establish a latecomer agreement for recovery of a prorated share of the cost of constructing the public improvement from other properties that will later derive a benefit from the improvements. No latecomers' agreement shall extend for a period longer than 15 years from the date of final acceptance by the city unless a longer period is allowed pursuant to RCW 35.91.020.

B. **Rights and nonliability of city.** The city reserves the right to refuse to enter into any latecomer agreement or to reject any application therefore. All applications for latecomers' agreements shall be made on the basis that the applicant releases and waives any claims for any liability of the city in establishment and enforcement of latecomer agreements. The city shall not be responsible for locating any beneficiary or survivor entitled to benefits by or through latecomer agreements.

C. **Application requirements.** All applications for latecomer agreements shall be on forms established by the public works director and approved as to form by the city attorney. The application shall contain the following information:

1. Legal description of the property and of each of the benefited properties.
2. Vicinity maps showing the property, the benefited properties and the location of the proposed improvement.
3. Estimated cost data.
4. Proposed pro rata share of the cost of the improvement to be borne by the benefiting properties and the proposed method of assessment of the pro rata share.
5. Payment of application fee.

D. **Eligibility of applicants.** In order to be eligible for processing of latecomer agreements, applicants for latecomer agreements shall be in compliance with all city ordinances, rules, and regulations.

E. Procedures for reimbursement agreements.

1. If a reimbursement agreement is requested, the property owner shall submit project plans and a site plan, map or diagram of the proposed benefited area prepared by a licensed professional engineer, ownership reports on properties within the proposed benefited areas, a cost estimate for the project based upon the plans of a civil engineer from which reimbursable costs shall be estimated, and such other information as the city may require.
2. Property owners requesting a reimbursement agreement shall submit, along with the application, a nonrefundable payment in the amount established in the current rate ordinance as adopted or hereafter amended to be applied to the city's legal, engineering and administrative costs (including but not limited to staff time, and costs for title reports, appraisers, or other costs) associated with preparing the reimbursement agreement, which costs shall be included as reimbursable costs in the reimbursement agreement; provided, that whenever city engineering, legal, and administrative costs exceed the payment required herein, the city shall not process the application or execute any agreement until such costs have been paid in full.
3. The public works director, based on information submitted by the property owner will formulate an assessment reimbursement area (benefit area) based upon a determination of which parcels did not contribute to the original cost of such infrastructure improvement and which connect to or specially benefit from such infrastructure.
4. The public works director based on information submitted by the owner will estimate pro rata share of costs. The public works director may require engineering costs or construction bids to be provided and may retain an appraiser to assist in formulating the benefit area and pro rata costs.
5. The public works director shall make a preliminary determination of the benefit area and assessments and shall notify the property owners within the proposed benefit area by first class mail of the benefit area, the approximate assessment, and a description of the property owners' rights and options to participate in the agreement. The property owners may, upon payment of an appeal fee established in the Current Rate ordinance as adopted or hereafter amended, appeal the preliminary determination to the City Council within twenty (20) days of the date of mailing. The City Council may delegate the hearing examiner to hold the public hearing, establish the record and make a recommendation to the City Council.
6. Upon completion of the preliminary determination, and appeal there from, if any, the City shall prepare the final latecomers agreement for public hearing and consideration by council and shall notify the property owners within the proposed benefit area by first class mail of the hearing date.
7. Upon approval by City Council, the latecomer agreements must be recorded in the County auditor's office within 30 days of the final execution of the agreement. It shall be the sole responsibility of the latecomer applicant to record said agreement. Once recorded, the latecomer agreement shall be binding on owners of record within the assessment area who are not party to the agreement.

F. **Construction.** After the Latecomers' Agreement has been signed by both parties and all necessary permits and approvals have been obtained, the applicant shall construct the system improvements and upon completion obtain final inspection and acceptance of the improvement by the city.

G. **Illegal connection.** No person or entity shall be granted a permit or be authorized to connect to the water system improvements during the time set forth in the recorded latecomer agreement without first paying to the city, in addition to any and all other costs and charges assessed for such connection, the amount required by the latecomer agreement. Whenever any connection is made without such payment having first been made, the city may remove, or cause to be removed such unauthorized connection and all connecting pipe located in the right of way and dispose of the unauthorized material without any liability.

H. **City Ownership.** All water system improvements constructed by the property owner and to be subject to the latecomer agreement must be dedicated to and owned by the City.

SECTION 2. This Ordinance shall be in full force and effect five (5) days after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this _____ day of _____, 2010.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED: _____

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF KELSO AMENDING ORDINANCE NO. 10-3731, AMENDING KMC 13.04.140, REGARDING THE CITY'S LATECOMER AGREEMENT, AS MORE PARTICULARLY DESCRIBED HEREIN.

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS
FOLLOWS:

SECTION 1. That KMC 13.04.140, entitled "Latecomer Agreements," is hereby amended to provide as follows:

13.04.140 Latecomer Agreements.

A. **Purpose and Term.** Any property owner utilizing private funds to install public infrastructure improvements may apply to the city to establish a latecomer agreement for recovery of a prorated share of the cost of constructing the public improvement from other properties that will later derive a benefit from the improvements. No latecomers' agreement shall extend for a period longer than 15 years from the date of final acceptance by the city unless a longer period is allowed pursuant to RCW 35.91.020.

B. **Rights and nonliability of city.** The city reserves the right to refuse to enter into any latecomer agreement or to reject any application therefore. All applications for latecomers' agreements shall be made on the basis that the applicant releases and waives any claims for any liability of the city in establishment and enforcement of latecomer agreements. The city shall not be responsible for locating any beneficiary or survivor entitled to benefits by or through latecomer agreements.

C. **Application requirements.** All applications for latecomer agreements shall be on forms established by the public works director and approved as to form by the city attorney. The application shall contain the following information:

1. Legal description of the property and of each of the benefited properties.
2. Vicinity maps showing the property, the benefited properties and the location of the proposed improvement.
3. Estimated cost data.
4. Proposed pro rata share of the cost of the improvement to be borne by the benefiting properties and the proposed method of assessment of the pro rata share.
5. Payment of application fee.

D. **Eligibility of applicants.** In order to be eligible for processing of latecomer agreements, applicants for latecomer agreements shall be in compliance with all city ordinances, rules, and regulations.

E. Procedures for reimbursement agreements.

1. If a reimbursement agreement is requested, the property owner shall submit project plans and a site plan, map or diagram of the proposed benefited area prepared by a licensed professional engineer, ownership reports on properties within the proposed benefited areas, a cost estimate for the project based upon the plans of a civil engineer from which reimbursable costs shall be estimated, and such other information as the city may require.
2. Property owners requesting a reimbursement agreement shall submit, along with the application, a nonrefundable payment in the amount established in the current rate ordinance as adopted or hereafter amended to be applied to the city's legal, engineering and administrative costs (including but not limited to staff time, and costs for title reports, appraisers, or other costs) associated with preparing the reimbursement agreement, which costs shall be included as reimbursable costs in the reimbursement agreement; provided, that whenever city engineering, legal, and administrative costs exceed the payment required herein, the city shall not process the application or execute any agreement until such costs have been paid in full.
3. The public works director, based on information submitted by the property owner will formulate an assessment reimbursement area (benefit area) based upon a determination of which parcels did not contribute to the original cost of such infrastructure improvement and which connect to or specially benefit from such infrastructure.
4. The public works director based on information submitted by the owner will estimate pro rata share of costs. The public works director may require engineering costs or construction bids to be provided and may retain an appraiser to assist in formulating the benefit area and pro rata costs.
5. The public works director shall make a preliminary determination of the benefit area and assessments and shall notify the property owners within the proposed benefit area by first class mail of the benefit area, the approximate assessment, and a description of the property owners' rights and options to participate in the agreement. The property owners may, upon payment of an appeal fee established in the Current Rate ordinance as adopted or hereafter amended, appeal the preliminary determination to the City Council within twenty (20) days of the date of mailing. The City Council may delegate the hearing examiner to hold the public hearing, establish the record and make a recommendation to the City Council.
6. Upon completion of the preliminary determination, and appeal there from, if any, the City shall prepare the final latecomers agreement for public hearing and consideration by council and shall notify the property owners within the proposed benefit area by first class mail of the hearing date.
7. Upon approval by City Council, the latecomer agreements must be recorded in the County auditor's office within 30 days of the final execution of the agreement. It shall be the sole responsibility of the latecomer applicant to record said agreement. Once recorded, the latecomer agreement shall be binding on owners of record within the assessment area who are not party to the agreement.

F. **Construction.** After the Latecomers' Agreement has been signed by both parties and all necessary permits and approvals have been obtained, the applicant shall construct the system improvements and upon completion obtain final inspection and acceptance of the improvement by the city.

G. **Illegal connection.** No person or entity shall be granted a permit or be authorized to connect to the water system improvements during the time set forth in the recorded latecomer agreement without first paying to the city, in addition to any and all other costs and charges assessed for such connection, the amount required by the latecomer agreement. Whenever any connection is made without such payment having first been made, the city may remove, or cause to be removed such unauthorized connection and all connecting pipe located in the right of way and dispose of the unauthorized material without any liability.

H. **City Ownership.** All water system improvements constructed by the property owner and to be subject to the latecomer agreement must be dedicated to and owned by the City.

SECTION 2. This Ordinance shall be in full force and effect five (5) days after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this _____ day of _____, 2010.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED: _____

AGENDA SUMMARY SHEET

AGENDA ITEM: An ordinance setting
the 2011 property tax levy amount.
Second reading.

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # 2
FOR AGENDA OF: 12/21/10
ORIGINATING DEPT: Finance
DATE SUBMITTED: 12/15/10
COST OF ITEM: _____
AMT. BUDGETED _____
CITY ATTY. APPROVAL _____
CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:

SUMMARY STATEMENT/DEPT. RECOMMENDATION:

The levy amount for the 2011 General Levy is \$1,329,253.
This represents a dollar increase of \$19,598 over the
2010 General Levy. The increase is made up of two
components:

| | |
|--|-----------------|
| 1) New Construction: | \$6,501 |
| 2) 1.00% increase over highest lawful levy: | <u>\$13,097</u> |
| Total Increase | <u>\$19,598</u> |

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY OF KELSO FIXING THE
ESTIMATED AMOUNT TO BE RAISED BY AD VALOREM TAXES
AT \$1,329,253 FOR THE 2011 BUDGET OF THE CITY.**

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS
FOLLOWS:

SECTION 1. The estimated dollar amount to be raised upon real and personal property in Cowlitz County, Washington, to raise said dollar amount to cover the estimated budget needs of the City of Kelso for calendar year 2011 are as follows:

DOLLAR AMOUNT

General Levy \$1,329,253 or maximum allowed by law

SECTION 2. This Ordinance shall be in full force and effect five (5) days from and after its passage and publication of summary as required by law.

ADOPTED by the City Council and **SIGNED** by the Mayor this _____ day of _____, 2010.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED: _____

AGENDA SUMMARY SHEET

AGENDA ITEM: Ordinance 2nd reading
Final Budget 2011/2012. The final budget
proposes using unrestricted general fund
reserves of \$27,855 and \$54,453 in 2011
and 2012, respectively.

SUBMITTED BY: Brian Butterfield

AGENDA ITEM # 3
 FOR AGENDA OF: 12/21/2010
 ORIGINATING DEPT: Finance
 DATE SUBMITTED: 12/15/2010
 COST OF ITEM: _____
 AMT. BUDGETED _____
 CITY ATTY. APPROVAL _____
 CITY MGR. APPROVAL _____

AGENDA ITEM PAPERWORK:

See attached Ordinance.

SUMMARY STATEMENT/DEPT. RECOMMENDATION:

Ordinance adopts the 2011/2012 final biennial budget for the City of Kelso.
 Total appropriations amount to \$33,296,737 and \$26,056,824 in 2011 and 2012, respectively.
 Appropriations in the general fund amount to \$7,149,599 in 2011 and \$7,195,104 in 2012.

NOTE:

The following changes have been made from the first reading to the second due to increases in the City's contribution to the PERS 2 retirement System:

| Fund | Increase | |
|-------------|-----------|-----------|
| | 2011 | 2012 |
| General | \$ 17,977 | \$ 44,352 |
| Street | 1,685 | 3,929 |
| Library | 2,892 | 7,540 |
| Parks | 1,203 | 2,861 |
| Solid Waste | 258 | 1,140 |
| Water/Sewer | 11,169 | 29,847 |
| Drainage | 3,289 | 8,372 |
| Total | \$ 38,473 | \$ 98,041 |

In addition, the general fund appropriations were increased by \$4,000 in both years to reflect corrected amounts to be transferred to the Airport Fund.

Arterial Street Fund - increased by \$135,000 in 2011 for the Street Light Replacement project.

Water/Sewer Funds - have been decreased to reflect adjustments to the capital projects scheduled.

ORDINANCE NO. _____

**AN ORDINANCE RELATING TO MUNICIPAL FINANCE AND
ADOPTING A BUDGET FOR THE CITY OF KELSO FOR THE 2011/12
FISCAL YEARS.**

THE CITY COUNCIL OF THE CITY OF KELSO DO ORDAIN AS FOLLOWS:

SECTION 1. That the City budget for the ensuing biennium of 2011/2012, as the same now appears in the Office of the City Clerk, be and the same is hereby in all respects adopted and approved.

SECTION 2. That the following are the separate totals of the appropriation total allowed for each of the following classes:

| <u>FUND</u> | <u>2011 Budget</u> | <u>2012 Budget</u> |
|-------------------------|---------------------------|---------------------------|
| General | \$7,149,599 | \$7,195,104 |
| Street | 556,640 | 581,152 |
| Arterial Street | 2,550,728 | 2,431,878 |
| Library | 398,774 | 413,282 |
| Paths & Trails | 33,000 | - |
| Kelso Station | 44,900 | 92,100 |
| Stadium | 176,850 | 178,750 |
| Hilander Festival | 64,100 | 64,100 |
| Parks and Recreation | 227,873 | 228,768 |
| Tam O'Shanter Park | - | - |
| HUD Grant | 691,572 | 626,572 |
| Façade/Mural | - | - |
| Criminal Justice | 437,382 | 331,671 |
| 2003 G.O. Bond | 223,880 | 225,525 |
| Capital Projects | 30,000 | 35,000 |
| Solid Waste | 1,253,049 | 1,289,809 |
| Water/Sewer | 11,818,502 | 7,588,603 |
| Water Capital Reserve | 5,515,000 | 750,650 |
| Drainage | 727,070 | 826,633 |
| Sewer Capital Reserve | 340,600 | 1,644,600 |
| Water Guarantee Deposit | 90,000 | 90,000 |
| Revenue Bond Fund | - | - |
| Bond Reserve Fund | - | - |

| | | |
|-------------------|----------------|----------------|
| Airport | 739,986 | 1,182,884 |
| Equipment Reserve | - | 40,000 |
| Firemen's Pension | <u>227,232</u> | <u>239,743</u> |

| | | |
|-----------------------------|----------------------------|----------------------------|
| TOTAL APPROPRIATIONS | <u>\$33,296,737</u> | <u>\$26,056,824</u> |
|-----------------------------|----------------------------|----------------------------|

SECTION 3. That the City Clerk be and is hereby authorized and directed to transmit a copy of the budget as adopted to the Division of Municipal Corporations.

SECTION 4. This Ordinance shall be in full force and effect on the first day of January, 2011.

ADOPTED by the City Council and **SIGNED** by the Mayor this ____ day of _____, 2010.

MAYOR

ATTEST/AUTHENTICATION:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED: _____